AROUND THE WORLD

S. Africa car sales rise for 1987, first gain since 1981

By Jeremy Sinek
SPECIAL CORRESPONDENT

JOHANNESBURG, South Africa — Despite a decline in sales in December compared with November, South Africa's automakers ended 1987 on a note of satisfaction and optimism.

More important than the month-to-month drop from 18,620 to 15,067 car sales was the fact that the December 1987 figure was 32.2 percent better than the year-ago month's and lifted the full-year tally above 200,000.

The precise figure of 200,824 was a gain of 15.1 percent over 1986 and was the first time since 1981 — when the industry scored an all-time high of 301,528 — that car sales had bettered the previous year's figures.

The progress in the light-truck and bus sectors was even more marked, a 22 percent gain from 78,935 to 96,346 for the full year. With medium and heavy trucks up by 6.1 percent, total industry sales were 309,150, a 16.8 percent improvement on 1986's 264,676.

Moreover, automakers reckoned that sales could have been 5 or 10 percent higher had it not been for supply shortages.

Various factors aggravated the shortages. Mercedes-Benz's nine-week strike cost the company some 4,500 cars. Volkswagen lost 10 days to industrial strife. Toyota and a number of component manufacturers had to shut down for a while after the Natal flood.

SOUTH AFRICAN CARS

	12 mos., 1987	12 mos., 1986
BMW	16,113	13,113
Delta-Opel[1]	16,913	13,954
Mercedes-Benz[2]	18,571	19,468
Nissan	19,527	13,643
Samcor[3]	39,878	36,116
Toyota	49,785	45,384
VW-Audi	39,970	30,314
Others	67	2,461
TOTAL	200,826	176,453

1 Formerly GM South Africa
2 Including Honda
3 Mazda, Ford

Although Toyota remained the market leader in every sector except heavy trucks (where Mercedes led), it lost market share for the second consecutive year, slipping from 26.0 to 24.8 percent in cars and from 39.3 to 37.0 percent in light commercials.

VW picked up the most sales. Its 39,970 sales boosted its car market share from 17.4 to 19.9 percent, demoting the Ford-Mazda-Mitsubishi combine Samcor (39,878) to third place in the standings.

Mercedes strike cut sales from 19,468 to 18,571 and dropped it from fourth to fifth place. Nissan moved up to fourth. Nissan restyled both its passenger-car lines — the Sentra subcompact and the Skyline medium-sized car — during the year, and the new models posted spectacular gains in their first few months on the market.

In the first nine months of 1987, Nissan's small-car line, for example, averaged 767 units per month. In the fourth quarter, after the new Sentra came on stream, it averaged 1,625 per month.

The former GM South African, now trading as Delta Motor Corp., performed ahead of expectations in its first year.

Helped by the introduction of the Opel Monza (Pontiac LeMans) subcompact sedan and despite critical stock shortages toward the end of the year, its passenger-car sales rose 21.2 percent from 13,954 to 16,913, and market share climbed from 8.0 to 8.4 percent.

BMW sold 16,113 cars, a 23 percent increase over 1986 and enough to boost its market share from 7.5 to 8.0 percent.

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$32,000 Aussie car

GM Commodore a road version of racer

By Pedr Davis
SPECIAL CORRESPONDENT

Most expensive Holden's ever

SYDNEY, Australia — Holden's Motor Co., General Motors' Australian subsidiary, has introduced a high-performance version of the 1988 Commodore.

The new car is faster and more aggressive looking than the "Bathurst Specials," built during the 1970s to compete in this country's annual production races at Bathurst, New South Wales.

The car is called the SS Group A and based on the current VL Commodore. It is a limited-edition, road-going version of Holden's 1988 race car. And with a sticker-price over $32,000, it is easily the most expensive vehicle ever to wear a Holden's badge.

The Group A signals Holden's determination to take on the big European and Japanese automakers on the international touring car circuit.

The Commodore had disappointing results on the race track in 1987. The year also saw the end of the longstanding Holden-Peter Brock partnership, which has been responsible for a line of highly successful high-performance Commodore race cars.

As a result, Holden's brought in Britain's Tom Walkinshaw racing group to undertake the wind-tunnel development of a completely new body kit.

It also commissioned Holden's Engine Co. to revamp the V-8 in time for the 1988 season.

While development of the Group A car was under way last year, Holden's negotiated a 10-year contract with Walkinshaw to operate a new Australian-based organization called Holden Special Vehicles.

The organization, which is responsible for building the new model, will modify Commodore models produced on Holden's production line and eventually launch high-performance versions of other Holden products.

The Group A has a body clad with more than a dozen fiberglass aerodynamic aids and is powered by the most potent Aussie V-8 to date — a substantially reworked version of Holden's familiar 4.9-liter V-8.

The engine features electronic fuel-injection and puts out 240 horsepower. In race form, the engine could be boosted to about 500 hp.

The top speed of the road-going version is an estimated 148 mph. The company said the car can sprint from zero-to-60 mph in 6.3 seconds and cover the quarter-mile in under 15 seconds.

Only 750 will be built including the 500 units needed to comply with race regulations. The extra 250 are to satisfy the consumer demand.

ACS to build plant in Germany for Porsche 944 cabriolet project

GENEVA — ASC Inc., a worldwide automotive supplier, has unveiled plans for the construction of an assembly plant in Heilbronn, West Germany. The facility will support the Porsche 944-S cabriolet program, a joint effort of Porsche AG and ASC.

The building is scheduled to be completed by Oct. 1. It will cover 82,000 square feet on a 5-acre site. Eighty persons will be employed.

The ASC facility will provide the components, tooling and special assembly work for the Porsche 944-S cabriolet. In addition to assembly operations, the plant will have a development and engineering area to support research and future programs.

The ASC site was purchased from the city of Heilbronn. The facility will be near the Neckarsulm plant where 944 models are built.

Heinz C. Prechter, ASC chairman and president, said, "Much appreciation is extended to the city officials of Heilbronn for their assistance in locating this site for ASC's first European facility. We look forward to beginning our operation in Heilbronn and furthering our relationship with the community in which our facility operates."

The 944-S cabriolet is expected to debut in 1989. The program is one of two joint relationships between Porsche AG and ASC. Porsche recently designated ASC as its purchasing consultant in North America.

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AROUND THE WORLD

REGISTRATIONS

BRAZIL (sales)
Cars, vans, trucks, buses

	12 mos., 1987	12 mos., 1986
Agrale	1,257	1,642
Enqesa	649	439
Fiat	75,779	102,402
Ford	121,283	178,076
General Motors	148,934	206,819
Gurgel	1,903	2,127
Mercedes-Benz	32,480	34,202
Saab-Scania	4,224	5,008
Santa Matilde	17	206
Toyota	3,576	3,437
Volkswagen	187,582	329,608
Volvo	2,709	2,762
Total	580,393	866,728

NORWAY
Cars

	11 mos., 1987	11 mos., 1986
BMW	1,767	4,254
Daihatsu	748	1,592
Fiat Auto	4,883	6,441
Fiat	4,302	5,776
Lancia	484	468
Alfa Romeo	97	197
Ford	15,208	23,458
GM-Opel	11,358	18,998
Honda	2,945	4,545
Isuzu	129	92
Jaguar	52	47
Lada	1,823	2,609
Mazda	7,895	12,175
Mercedes-Benz	2,249	3,934
Mitsubishi	4,772	5,717
Nissan	6,691	9,915
Peugeot SA	7,020	9,217
Citroen	2,926	2,943
Peugeot	4,094	6,274
Porsche	14	25
Renault	789	1,142
Rover Group	30	7
Saab	1,582	2,900
Skoda	389	414
Subaru	2,364	2,905
Suzuki	816	939
Toyota	14,762	18,333
Volkswagen	10,627	15,646
VW	8,688	12,098
Audi	1,939	3,548
Volvo	8,430	13,125
Others	104	90
Total	107,447	158,520

NETHERLANDS
Cars

	11 mos., 1987	11 mos., 1986
BMW	12,192	12,777
Dacia	82	101
Daihatsu	7,119	6,457
FSO	65	305
Fiat Auto	35,257	40,014
Fiat	29,508	33,549
Lancia	1,609	2,448
Alfa Romeo	4,140	4,017
Ford	56,317	57,801
GM-Opel	89,288	92,545
Honda	11,947	14,824
Hyundai	4,809	1,399
Jaguar	579	378
Lada	12,431	12,747
Mazda	24,455	23,082
Mercedes-Benz	12,310	13,307
Mitsubishi	15,255	14,629
Nissan	31,327	27,334
Peugeot SA	64,951	65,159
Citroen	30,443	31,123
Peugeot/Talbot	34,508	34,036
Porsche	188	211
Renault	22,622	27,686
Rover Group	4,709	5,372
Saab	2,218	2,562
Skoda	3,569	5,032
Subaru	4,723	4,304
Suzuki	17,983	15,853
Toyota	31,159	29,901
Volkswagen Group	63,030	56,740
VW/Audi	56,513	52,391
Seat	6,517	4,349
Volvo	26,553	29,047
Zastava	162	695
Total	555,743	560,411

Austria
Cars

	12 mos., 1987	12 mos., 1986
BMW	5,435	7,287
Daihatsu	2,210	1,297
Fiat Auto	14,518	17,332
Fiat/Lancia	12,679	15,045
Alfa Romeo	1,839	2,287
Ford	22,496	25,418
GM-Opel	27,854	31,333
Honda	5,047	5,536
Jaguar	138	126
Lada	2,648	1,732
Mazda	19,661	22,116
Mercedes-Benz	9,082	10,144
Mitsubishi	6,859	5,447
Nissan	13,553	12,822
Peugeot SA	16,908	16,830
Citroen	7,650	6,276
Peugeot/Talbot	9,258	10,554
Porsche	254	464
Renault	11,413	12,108
Rover Group	244	247
Saab	325	465
Skoda	1,353	992
Subaru	4,087	3,835
Suzuki	2,039	1,613
Toyota	15,873	15,149
Volkswagen Group	46,932	56,250
VW	37,970	44,123
Audi	7,591	10,641
Seat	1,371	1,486
Volvo	2,954	3,663
Others	71	118
Total	231,969	252,324

JAPAN
Cars

	12 mos., 1987	12 mos., 1986
Daihatsu	75,766	87,609
Fuji	68,520	73,699
Honda	337,094	304,946
Isuzu	58,207	59,067
Mazda	198,561	194,139
Mitsubishi	158,323	146,261
Nissan	764,633	765,738
Suzuki	62,149	63,626
Toyota	1,453,796	1,383,518
Imports (all)	97,751	68,357
Cars Total	3,071,000	3,146,033

Vans, trucks, buses

Daihatsu	404,884	383,666
Fuji	253,523	233,327
Hino	44,459	37,856
Honda	209,879	203,487
Isuzu	126,424	114,131
Mazda	161,616	157,689
Mitsubishi	392,692	361,937
Nissan	257,971	248,702
Nissan Diesel	25,726	21,199
Suzuki	444,340	428,281
Toyota	421,862	371,345
Imports (all)	223	171
Total	2,743,599	2,561,791
Total Vehicles	6,018,399	5,707,814

DENMARK
Cars

	12 mos., 1987	12 mos., 1986
BMW	1,971	3,510
Dacia	139	319
Daihatsu	2,146	3,340
Fiat Auto	7,884	8,724
Fiat	7,060	8,184
Lancia	125	11
Alfa Romeo	698	529
Ferrari	1	0
Ford	13,861	20,313
FSO	624	1,221
GM-Opel	17,969	27,064
Honda	2,611	3,283
Jaguar	57	32
Lada	3,977	0
London Taxi	7	0
Mazda	11,543	17,281
Mercedes-Benz	1,618	1,573
Mitsubishi	2,428	686
Nissan	6,371	9,826
Peugeot SA	13,709	12,536
Citroen	7,804	8,124
Peugeot/Talbot	5,905	4,412
Porsche	13	24
Renault	427	853
Rover Group	705	304
Saab	1,000	1,651
Skoda	3,067	3,627
Subaru	363	638
Suzuki	171	325
Toyota	14,808	20,653
Volkswagen Group	10,577	14,644
VW	8,239	12,580
Audi	1,308	963
Seat	1,030	1,101
Volvo	4,429	6,477
Wartburg	782	783
Zastava	838	1,281
Total	124,097	169,386

UNITED KINGDOM
Cars

	12 mos., 1987	12 mos., 1986
BMW	37,525	35,898
Daihatsu	4,560	5,345
Fiat Auto	74,318	67,348
Fiat	68,576	61,729
Lancia	3,439	3,386
Alfa Romeo	2,303	2,233
Ford	580,119	515,367
FSO	4,851	4,558
GM-Vauxhall	270,778	284,517
Honda	24,743	20,499
Hyundai	9,145	7,495
Isuzu	2,342	214
Jaguar	11,102	7,579
Lada	25,294	20,312
Lotus	471	447
Mazda	18,817	17,962
Mercedes-Benz	21,752	19,987
Mitsubishi	11,826	11,811
Nissan	114,243	109,914
Panther	86	67
Peugeot SA	147,278	121,094
Citroen	46,014	34,427
Peugeot/Talbot	101,264	86,667
Reliant	185	303
Renault	78,694	69,261
Rolls-Royce	842	808
Rover Group	301,811	297,466
Austin Rover	296,784	293,240
Range Rover	5,027	4,226
Saab	10,411	10,331
Skoda	14,543	12,775
Subaru	4,960	3,974
Suzuki	5,612	4,288
Toyota	38,269	35,802
Volkswagen	116,188	115,154
VW-Audi	108,123	109,237
Seat	8,065	5,917
Volvo	70,880	68,972
Zastava	8,458	8,525
Others	3,590	4,381
Total	2,013,693	1,882,474

SOUTH AFRICA
Cars (sales)

	12 mos., 1987	12 mos., 1986
BMW	16,113	13,089
Delta-Opel	16,613	13,778
Ford	22,943	19,279
Honda	10,119	10,032
Mazda	16,935	15,618
Mercedes-Benz	8,444	9,408
Nissan	19,511	13,612
Peugeot	0	337
Toyota	49,594	45,299
Volkswagen	39,970	30,314
Others	582	3,687
Total	200,824	174,453

PRODUCTION

JAPAN
Cars

	12 mos., 1987	12 mos., 1986
Daihatsu	141,572	142,064
Fuji	266,755	287,039
Honda	1,021,895	1,025,403
Isuzu	203,930	211,178
Mazda	853,309	811,371
Mitsubishi	594,654	578,642
Nissan	1,803,924	1,769,484
Suzuki	296,979	300,604
Toyota	2,708,069	2,684,024
Total	7,891,087	7,809,809

Vans, trucks, buses

Daihatsu	455,983	460,455
Fuji	338,502	341,264
Hino	65,817	49,983
Honda	219,227	210,995
Isuzu	337,653	343,722
Mazda	344,563	384,254
Mitsubishi	636,515	599,333
Nissan	422,389	473,511
Nissan Diesel	35,933	32,703
Suzuki	570,881	571,807
Toyota	930,210	976,143
Others	414	707
Total	4,358,087	4,450,006
Total Vehicles	12,249,174	12,259,817

FRANCE
Cars

	12 mos., 1987	12 mos., 1986
Peugeot SA	1,676,134	1,467,903
Citroen	666,006	521,640
Peugeot/Talbot	1,010,128	946,263
Renault	1,375,696	1,305,191
Total	3,051,830	2,773,094

Vans, trucks, buses

CBM	0	43
Heuliez	228	173
Iveco-Unic	67	74
Peugeot SA	163,918	151,374
Citroen	74,069	66,713
Peugeot/Talbot	89,849	84,661
Renault/RVI	277,073	269,773
Sovam	94	84
Total	441,380	421,521
Total Vehicles	3,493,210	3,194,615

Ford begins output of Taurus in Mexico

By Stephen Downer
STAFF CORRESPONDENT

MEXICO CITY — Ford Motor Co. has begun production of the Taurus four-door sedan and station wagon in Mexico.

The Taurus is made at Ford's plant just north of Mexico City in the municipality of Cuautitlan. The present generation Topaz — also new in Mexico this model year — Thunderbird, Cougar and pickup trucks are assembled at the plant as well.

John Ogden, president and director general of Ford's Mexico operation, said the company invested $40 million re-equipping the Cuautitlan plant last year, mainly for assembly of the Taurus and new Topaz.

Investments aimed at improving domestic market production will probably amount to $30 million this year, he said.

Production at Cuautitlan was suspended for 100 days last summer due to a strike over wages. Ogden said the work action cost the company 15,000 vehicles.

"It was a very expensive strike," said Ogden.

The labor dispute contributed to pushing Ford's market share for cars and trucks to fifth and last place in 1987.

Ogden said Ford has no plans to produce a lower-priced or smaller car than the Topaz for the Mexican market.

"The product line we have in Mexico is restricted quite heavily by government regulations," he said. "We have judged that our products best meet the needs of our traditional customers."

Ogden: Last summer's strike at Cuautitlan, which halted production for 100 days cost, the company 15,000 vehicles

During a separate function, Clint Lauer, Ford's corporate vice president, purchasing and supply, discussed the quality of parts produced by suppliers in Mexico.

"We have seen significant improvement in the quality of parts supplied by Mexican companies. In the past 30 months quality has improved by almost 58 percent," he said.

Direct sales by Mexican parts suppliers to the United States and Canada increased by about 50 percent in 1987 over the previous year, he said. He did not give a sales figure.

Assembly-export deal for Europe eyed by Renault, Taiwan's Sanfu

By Stephen Vines
STAFF CORRESPONDENT

HONG KONG — Taiwanese auto manufacturer Sanfu Motors is planning a joint venture with Renault of France to export a new car to Europe. The car will be made from kits supplied by the French manufacturer and assembled in Taiwan.

In a telephone interview, Steve Wang, vice president of Sanfu's president's staff office, said the project was "not finalized." However, he said he expected some concrete proposals by the middle of the year.

Wang said the company was inclined to look at a new model for the project, as opposed to the Renault 9, 11 and 21 models that it currently assembles under license. Despite the short timetable for reaching a decision on the project, Wang said no agreement had been reached on which model would be the subject of the joint venture. He said, however, that there was an understanding that it would be sold throughout the European market.

If Sanfu does export to Europe, it will be the first of Taiwan's manufacturers to do so.

Taiwanese law stipulates that automobiles made in the country should have a minimum of 70 percent local content. Wang said that the new project might achieve higher levels of local components, although he said that all the main parts would continue to come from France.

Renault and Sanfu have had a technical assistance agreement since 1981. Sanfu has a separate agreement with Japan's Fuji Heavy Industries for van and truck production, and another with Isuzu that has enabled it to export the Isuzu Trooper II to the American market, though in small quantities.

Like most Taiwanese automakers, Sanfu concentrates on the home market, where it ranks a poor fourth in a field of seven.

Based in the Taichung region, Sanfu is now aiming to join other Taiwanese automotive companies that are taking their first steps in overseas markets.

Only the biggest of the companies, Yue Loong, is attempting exports with its Feeling 101 model.

Last year, Sanfu produced some 12,000 vehicles. This year, it aims for 15,000. Although output is modest, it is the largest of the companies not wholly tied to a Japanese manufacturer.

Seat prepares to export 13,000 cars to Taiwan

OSLO, Norway — Seat, the Spanish automaker, is planning to export cars to Taiwan. NOSAC, a Norwegian car-shipping company, will handle the shipments.

Seat is owned by Volkswagen. The transportation contract calls for shipment of 13,000 cars this year and 13,000 in 1989.

NOSAC also is transporting Ford models produced in Europe to several countries in the Far East. The three-year contract starts this year and includes 4,000 cars annually.

AUCTION DATES

Chrysler Motors

March 1 — American Auto Auction, Walpole, Mass.; Golden Gate Auto Auction, Fremont, Calif.; and Hatfield Auto Auction, Hatfield, Pa.

March 2 — Southwest Auto Auction, Phoenix, Ariz.; Butler Auto Auction, Gibsonia, Pa.; A.D.E. of Birmingham, Birmingham, Ala.; Minneapolis Auto Auction, Plymouth, Minn.; and Denver Auto Auction, Aurora, Colo.

March 3 — Clanton's Auto Auction, Darlington, S.C.; Northway Exchange, Clifton Park, N.Y.; and Metro Auto Auction of Kansas City, Lee's Summit, Mo.

March 4 — Manheim Auto Auction, Manheim, Pa.

March 8 — Aptco Auto Auction, Taylor, Mich.; Arena Auto Auction, Chicago; Hatfield Auto Auction, Hatfield, Pa.; and Riverside Auto Auction, Riverside, Calif.

Ford Motor Co.

March 1 — Harrisonburg Auto Auction, Harrisonburg, Va.

March 2 — Northway Auto Auction, Clifton Park, N.Y.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Lakeland Auto Auction, Lakeland, Fla.

March 3 — Minneapolis Auto Auction, Plymouth, Minn.; Nashville Auto Auction, Nashville, Tenn.; Brasher's Sacramento Auto Auction, Rio Linda, Calif.; and Skyline Auto Exchange, Fairfield, N.J.

March 8 — South Seattle Auto Auction, Kent, Wash.

March 9 — Atlanta Auto Auction, Red Oak, Ga.; Columbus Fair Auto Auction, Obetz, Ohio; Concord Auto Auction, Acton, Mass.; and Southern California Auto Auction, Fontana, Calif.

March 10 — Greater Chicago Auto Auction, Chicago, and Dallas Auto Auction, Grand Prairie, Texas

General Motors

March 1 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

March 2 — Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Indianapolis Auto Auction, Indianapolis; Southern California Auto Auction, Fontana, Calif.; and Omaha Auto Auction, Omaha, Neb.

March 3 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

March 8 — Auto Dealers Exchange of Birmingham, Moody, Ala.; Harrisonburg Auto Auction, Harrisonburg, Va.; and Florida Auto Auction of Orlando, Ocoee, Fla.

March 9 — Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Used Car Sales
Auction Averages

February 1988	$5,255
Month ago	$4,841
Year ago	$5,703

Model Breakdown
Auction Averages

	FEB 1988	JAN 1988	DEC 1987
1988	$10,836	$8,839	
1987	$8,436	$8,435	$10,140
1986	$6,795	$6,516	$8,322
1985	$5,654	$5,501	$7,127
1984	$4,361	$4,349	$5,640
1983	$3,482	$3,362	$4,791
1982	$2,390	$2,383	$3,441
1981	$1,854	$1,926	$2,516
Overall Average	$5,255	$4,841	$5,898

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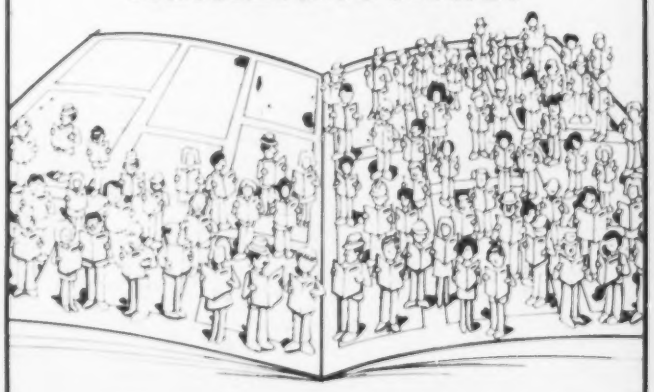

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WASHINGTON

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County charges chain dealer deceived buyers

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

Dennis Spencer and his Maryland dealerships — Astro Chevrolet and Metro Ford — have been sued by Montgomery County, Md., for alleged "deceptive and unconscionable trade practices" used to sell and lease motor vehicles.

This is the largest such lawsuit ever brought by the county to protect consumers. County Executive Sidney Kramer sought and received approval from the county council to hire — for the first time — special outside legal services.

The attorney now in charge, Alan R. Malasky of the Washington firm of Arent, Fox, Kintner, Plotkin and Kahn (no relation to the author of this article), told Automotive News the county is prepared to commit major resources and see the case through as an example to other merchants against consumer fraud and sharp business practices.

Glenn A. Mitchell, attorney for the defendants, said his clients have vigorously denied the allegations and and have asserted a number of affirmative defenses to the charges. He said he believes that when the evidence is considered, it will be demonstrated that there is no basis for the charges against his clients.

Mitchell said that although the trial is months away, the county held press conferences and contacted many satisfied customers of the dealerships in an effort to find support for its complaint. He said that kind of pre-trial activity is "most unfair" and should concern all dealers.

Spencer also owns S&R Chevrolet-Oldsmobile in Leesburg, Va.; Imperial Dodge-Chrysler in Warrenton, Va.; and M&M Pontiac in Springfield, Va.

The suit says Spencer operates Metro Ford and Astro Chevrolet in Silver Spring, Md., as a "single business entity" and regularly advertises jointly by radio and newspaper. The case, now in discovery, seeks civil penalties, punitive damages and restitution for an estimated 6,000 customers.

The complaint lists 13 charges investigated by the Montgomery County office of consumer affairs against Spencer and his Maryland dealerships. Allegations of unfair and deceptive practices include:

- Labeling certain packages of extra options and services as "dealer installed accessories" and charging $2,000 to $4,000 above the sticker price for items that were standard equipment already included in the sticker price, thus charging twice for the same items.
- Giving buyers the impression they had no choice but to buy certain optional equipment or features — floor mats, rustproofing and wheel locks — at non-negotiable prices.
- Telling customers a particular vehicle was new when it had been previously sold, used or was damaged. One Ford model, says the suit, had been sold three times, each time as new, although it had 1,200 miles for the second sale and 1,500 miles for the third sale. A Chevrolet was said to have 1,600 miles on it when sold as a "demo" or "test driven." Instead, the complaint charges, the car had been sold, used and returned.
- Failing to disclose charges for items not included in the base price.
- Failing to disclose "clearly and conspicuously" charges that were "additional dealer markup."
- Rejecting any liability for repairs, thus inhibiting consumers from asserting their warranty rights; and misrepresenting state law in order to persuade consumers to make unnecessary purchases of service contracts.
- Charging consumers "unconscionable prices for dealer-installed accessories and service contracts" — routinely selling floor mats for $195 although the manufacturer's suggested retail price ranged from $25 to $50 and selling one-year service contracts for $995 compared to their fair market value of about $300.
- Offering to sell 1987 models at "5 percent over official factory invoice" and 1986 models at "5 percent under official factory invoice" and claiming that "certified factory invoice prices" were posted on "every new car and truck" so "you will know how much you saved" and saying prices applied to "every car and truck in stock" and offering "instant financing" and "instant delivery" and adding that "factory options and dealer accessories you choose are additional" but failing on all those promises in several ways, including not having any such advertised vehicles in stock or available only with dealer-installed options that raised the price $2,000 or more.
- Falsely advertising that buyers would "get back in trade every dollar you paid for your car when new toward the purchase of any in-stock new '87 Chevrolets, Fords and Oldsmobiles" when Metro Ford, for example, would honor that claim only if the consumer paid some $5,500 above sticker.
- Falsely advertising that, for example, all 1987 Ford Escorts were on sale at $4,995 and there were "over 1,000 vehicles for delivery today" when consumers found no such such advertised vehicles for sale but instead found only vehicles with dealer-installed accessories that raised prices $2,000 to $4,000.
- Falsely advertising a "guaranteed minimum tow-it-in $2,000 trade allowance any car, any condition" and failing to come through unless the new vehicle was sold with extra options at higher prices.
- Falsely advertising 3.9 percent annual percentage rate financing and offering specific vehicles at specific prices — for example, "all our 1987 Ford Escorts $4,995 or $102 per month" — and then having consumers find the APR was 8.5 percent and that the total of the monthly payments did not add to the advertised price of the vehicle.
- Failing to disclose clearly and conspicuously the total payments under the advertised lease-purchase plan, thus leading consumers to believe falsely that the payments totaled to the advertised vehicle price.

The Montgomery Circuit Court is being asked to enjoin Spencer and his dealerships from engaging in deceptive and "unconscionable" trade practices in the future.

The county is also seeking punitive damages to be awarded to consumers, restitution and return of all money to each injured consumer, civil penalties of $500 for each violation of the county code for each defendant and investigative costs paid to the Office of Consumer Affairs.

Auto sales rise 12% for domestics

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

Retail deliveries of domestic cars in the United States climbed almost 12 percent in the middle 10 days of February.

Cash-back deals and dealer incentives apparently contributed to the gain.

Industry sales in the period rose 11.87 percent to 210,316 units, compared with 188,001 a year earlier.

Some market analysts have been forecasting a slowing of deliveries in the wake of exceptionally strong sales in January and early February. Even so, most makers have scheduled production increases via overtime, added shifts and, in the case of General Motors, put plants back on stream after shutdowns caused by high inventories.

Toyota reported mid-February sales of 1,178 U.S.-built units, up 72.22 percent from 684 a year earlier.

Chrysler Motors dealers sold 21.66 percent more domestic cars, in mid-February than they did a year ago, and General Motors dealers boosted deliveries 16.30 percent. Ford Motor Co. reported domestic-car sales up 2.23 percent from the year-earlier level.

Volkswagen reported a 10-day sales decline of 23.85 percent. Nissan's U.S.-built car sales dipped 10.72 percent, and Honda's were off 4.54 percent.

Mazda, which began U.S. production in September, sold 569 cars in mid-February.

At GM, sales increases were reported by Buick, Chevrolet and Pontiac. Pontiac Grand Prix sales shot up 350.9 percent over last year's, and Buick Regal sales climbed 187.0 percent. Oldsmobile Cutlass Supreme, the third of the new GM10 cars, went on sale Feb. 18.

DOMESTIC SALES

	Feb. 11-20, 1988	Feb. 11-20, 1987
Eagle	1,018	725
Chrysler	10,396	6,254
Plymouth	8,639	9,087
Dodge	12,821	10,779
Chrysler Motors	32,873	26,855
Ford	41,361	42,011
Mercury	13,486	13,341
Lincoln	5,896	3,873
Ford Motor Co.	60,545	59,225
Buick	18,073	14,326
Cadillac	5,781	7,163
Chevrolet	42,291	36,149
Oldsmobile	19,831	20,287
Pontiac	20,691	13,791
General Motors	106,867	91,716
Volkswagen	1,159	1,522
Honda	5,926	6,208
Nissan	1,569	1,791
Toyota	1,178	684
Mazda	569	—
U.S. Industry Total	210,316	188,001

Diamond-Star given trade-zone status

WASHINGTON — The U.S. Commerce Department has extended foreign trade zone status to Diamond-Star Motors Corp.'s plant in Normal, Ill.

Illinois Gov. James Thompson said the move increases Illinois' competitive edge.

"Foreign trade zone status ensures that companies like Diamond-Star can access state-of-the-art technology and produce high-quality products, providing jobs for American workers," he said.

Jay Hedges, director of the state Department of Commerce and Community Affairs, said foreign trade zones offer several benefits including relaxed customs regulations and lower tariffs to companies located within them.

Diamond-Star is a joint venture of Chrysler Motors and Mitsubishi Motors Corp. The plant is expected to begin production in the fall.

— The Associated Press

GM plans 175,000 output boost

Framingham plant to reopen; 3 others to add second shifts

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors will increase North American production of cars, trucks and vans by about 175,000 units through the end of the 1988 calendar year, about 5 percent above current levels.

Production will be boosted by resuming a shift at an idled assembly plant, adding second shifts at three other car plants in the United States and Canada, and increasing overtime at one car plant and two truck plants.

GM's car production will be increased by 130,000 units through the end of the calendar year, while truck production will be bumped up 45,000 units.

Despite the production hike, GM's production continues to be off about 30 percent from its year-ago volume. Lower car production has accounted for the drop. GM's truck production this year has matched year-ago levels.

Domestic car production is off about 25 percent for the calendar year, while total domestic truck production is up about 8 percent.

GM also said last week it will idle for two weeks the Leeds, Mo., plant, which will close permanently later this spring, and idle its Oklahoma City plant for one week. Both plants were closed for inventory adjustment and will resume operation March 7. Leeds builds the Buick Skyhawk, Oldsmobile Firenza and Chevrolet Cavalier. Oklahoma City produces the Buick Century and Chevrolet Celebrity.

GM President Robert C. Stempel said the production increases are due to strengthening demand for GM vehicles and reflect "the ongoing product quality improvements resulting from plant modernization and employee involvement programs" as well as aggressive incentive programs.

GM's car assembly plant in Framingham, Mass., will resume production on one shift May 9, recalling 2,000 hourly and salaried employees. About 1,700 workers remain on layoff. The Framingham assembly plant was indefinitely idled Nov. 30. The plant builds Oldsmobile Cutlass Ciera and Chevrolet Celebrity models.

Cutlass Ciera inventory stood at 48 days on Feb. 1, well below the 60- to 65-day norm, and particularly low since the industry is heading into the spring selling season. Sales of 1988 Ciera models through Feb. 20 were off 20 percent for the model year but have been improving in recent sales periods.

Chevrolet Celebrity inventory was 96 days on Feb. 1, but sales have been declining. Celebrity sales for the model year were off 21 percent as of Feb. 20.

The second shift at GM's assembly plant in Lansing, Mich., will resume work April 11. The plant's two shifts, which comprise 4,350 workers, has been working on a rotating work schedule. The plant builds Oldsmobile Calais and Buick Skylark models. Calais inventory was 48 days on Feb. 1 and sales have been improving in recent periods, matching year-ago levels.

Skylark had a 114-day supply Feb. 1. However, Buick General Manager Edward H. Mertz said January sales of the Skylark were 134 percent higher than forecasted and early February sales were about 50 percent higher than predicted for the full month.

GM's assembly plant in Van Nuys, Calif., will resume its second shift March 14. The plant's two shifts had been operating under a rotating work schedule.

The plant is the sole source of Pontiac Firebird and Chevrolet Camaro models. The Pontiac and Chevrolet divisions apparently are optimistic about strong spring sales for the sporty cars. High inventories and slumping sales continue for both models, though.

As of Feb. 1, GM had a 116-day supply of Firebirds and a 166-day supply of Camaro models. However, aggressive incentives that kicked in during February have helped reduce Camaro and Firebird supplies. Chevrolet extended through April 30 its $750 rebate on Camaro models in 48 states and $1,000 rebate in California and Hawaii.

In addition, Chevrolet is optimistic about the nationwide launch of the Camaro RS, set for April 1. The RS was test-marketed successfully in California, Florida and Texas. It has the look of the IROC series, including spoilers, fascia and interior trim, but retains the V-6 engine of the base Camaro.

The Oshawa, Ontario, plant had been operating under a work schedule that was similar to that in Lansing and Van Nuys. A second shift will resume work March 21. The second shift is being added because of increased demand for Oldsmobile Ciera and Pontiac 6000. Pontiac 6000 inventory was 51 days on Feb. 1, though sales continue to be off almost 30 percent from year-ago levels.

The Oshawa plant is scheduled to be closed later this year for conversion to production of the Chevrolet GM10 model, a car that will be introduced as a 1990 model.

About 4,700 units have been added to the schedule through June at the Detroit-Hamtramck plant. No jobs will be added; production will be increased by use of overtime, which began last weekend.

The production increase is due mainly to stronger Eldorado sales, a model that was restyled, lengthened and equipped with a larger V-8 engine for 1988. Approximately 4,000 units of the increase will be for Eldorado and the remaining portion for Seville. Eldorado sales for the first 10 days of February were up 32 percent over year-ago levels.

Overtime is scheduled at the Baltimore truck plant, which produces Chevrolet Astro and GMC Safari minivans, and the Moraine, Ohio, truck plant, which produces Chevrolet S-10 and GMC S-15 models.

PRODUCTION

Car output declines 6% to 125,754

By Kathy Barboglio
AUTOMOTIVE NEWS STAFF REPORTER

United States auto production last week dipped 6.37 percent to 125,754 units from the prior week's 134,306 and dropped 27.71 percent from the year-ago week's 173,965.

Last week's targeted domestic auto output was shared as follows: General Motors, 41.86 percent; Ford Motor Co., 30.61 percent; Chrysler Motors, 14.95 percent; Honda of America Manufacturing Inc., 6.33 percent; New United Motor Manufacturing Inc., 2.58 percent; Volkswagen of America, 1.59 percent; Nissan Motor Manufacturing Co. U.S.A., 1.07 percent; and Mazda Motor Manufacturing (U.S.A.) Corp., 1.01 percent.

Last week's scheduled domestic truck production totaled 85,714, 1.10 percent below the previous week's 86,670 but 7.74 percent above the year-ago week's 79,560.

Year-to-date, 667,667 trucks have been built, 7.75 percent more than the 619,618 assembled last year at this point.

GM announced it will reopen its Framingham, Mass., car plant on May 9, recalling about 2,000 hourly workers on one shift. The plant was closed last November because of slow sales of Chevrolet Celebrity and Oldsmobile Cutlass Ciera.

Also, GM announced it will resume the second shift at its Van Nuys, Calif., plant, March 14, recalling about 1,900 workers. The second shift was dropped Feb. 15.

GM is boosting production of Cadillac Eldorado and Seville models at its Detroit-Hamtramck plant. Workers will build an additional 4,000 Eldorados and 700 Sevilles by June 1.

The second shift at GM's Lansing, Mich., car plant, which produces the Oldsmobile Calais and Buick Skylark, will resume April 11. The shift was dropped Jan. 11 due to slow sales.

On the same note, GM closed its Leeds, Mo., and Willow Run, Mich., plants for inventory adjustment last week. Willow Run is slated to reopen today and Leeds is scheduled to return March 7.

GM also shut down its Oklahoma City plant today for one week for inventory adjustment.

Ford's Wayne, Mich., plant remains idle for model changeover to the 1988½ Escort.

Chrysler's Jeep Grand Wagoneer line at Toledo, Ohio, was idle last week for inventory adjustment.

Cars, trucks slip in Canada

Last week's targeted Canadian auto production totaled 20,800 units, 8.72 percent below the previous week's 22,786 but 22.27 percent more than the year-ago week's 17,012.

Truck output was scheduled at 19,625 last week, 2.17 percent below the prior week's 20,061 but 11.16 percent more than the year-ago week's 17,655.

GM will resume the second shift at its Oshawa, Ontario, plant on March 21. The second shift was dropped last November because of slow sales of Oldsmobile Cutlass Ciera and Pontiac 6000 models.

U.S. CAR						
Alliance	0	770	0	0	0	6,114
Total Eagle	0	770	0	0	0	6,114
Horizon	1,880	3,307	2,885	7,107	13,538	30,023
Sundance	2,080	2,534	2,085	6,598	10,914	17,706
Reliant	0	3,088	1,675	7,165	11,776	21,670
Caravelle	0	1,572	891	1,513	2,881	10,194
Gran Fury	300	4	337	1,269	2,080	0
Total Plymouth	4,000	10,685	8,053	25,620	47,151	78,595
LeBaron K	0	2,091	0	998	1,941	13,633
LeBaron J	1,880	1,810	1,099	4,881	4,881	13,152
LeBaron GTS	100	995	129	995	1,175	6,570
N. Yorker E-Class	0	1,883	0	0	0	13,986
N. Yorker C-Class	2,480	0	2,124	9,042	15,325	0
Fifth Avenue	1,030	515	1,319	4,647	9,804	0
Total Chrysler	5,490	7,294	5,429	20,041	32,229	48,743
Omni	1,880	2,843	1,874	7,099	13,165	25,831
Daytona	1,880	880	1,510	4,971	6,071	6,531
Shadow	2,380	2,280	2,381	8,099	17,548	16,250
Aries	0	2,310	1,128	4,646	9,238	16,310
Dodge 600	0	1,059	482	1,424	2,488	8,398
Dynasty	2,980	0	2,578	10,894	16,978	0
Lancer	880	880	275	1,119	2,010	4,894
Diplomat	480	4	540	1,833	1,112	0
Total Dodge	8,380	10,643	10,888	39,101	69,999	79,814
CHRYSLER MOTORS	18,880	28,912	22,888	84,822	149,828	212,426
Escort	7,997	7,415	5,788	31,288	67,488	69,128
Mustang	4,444	4,286	4,188	17,783	25,581	35,984
Tempo	4,037	3,989	4,188	15,497	22,888	32,898
Taurus	7,918	10,387	7,887	31,888	63,531	61,888
Thunderbird	3,018	3,846	3,497	13,410	25,087	23,189
Total Ford Div.	27,346	30,242	25,177	109,228	205,611	226,134
Lynx	0	1,449	0	0	0	11,888
Topaz	1,523	1,254	1,422	5,910	12,384	16,738
Cougar	2,748	4,086	2,303	9,861	20,169	22,984
Sable	2,679	3,291	2,982	11,131	19,288	35,086
Total Mercury	6,991	9,982	6,707	26,711	51,787	79,807
Continental	231	410	1,084	3,818	6,987	3,082
Mark VII	488	612	557	2,112	4,388	4,488
Lincoln	2,800	3,087	3,248	11,488	22,988	22,484
Total Lincoln	4,288	4,088	4,888	17,188	34,988	29,981
Total L-M Division	11,151	14,051	11,578	43,910	86,707	109,788
FORD MOTOR CO.	38,497	44,293	36,753	153,138	312,318	344,922
Skyhawk	0	849	1,051	1,882	5,088	8,581
Skylark/Somerset	315	1,671	326	1,259	4,234	15,051
Century	1,358	4,387	980	4,987	7,868	34,176
Regal (rwd)	0	1,276	0	0	0	7,918
Riviera	252	453	384	888	1,131	4,755
Electra	1,258	2,586	1,258	5,021	10,980	17,873
LeSabre (fwd)	2,400	2,278	2,442	9,642	19,087	17,788
LeSabre (rwd)	95	231	98	426	908	3,983
Reatta	244	0	87	402	594	0
Total Buick	5,919	13,729	8,556	24,636	48,725	110,000
Cimmaron	290	380	290	1,180	2,295	3,784
Eldorado	803	406	986	3,154	3,771	3,120
Seville	591	424	729	2,333	2,784	6,001
Brougham (rwd)	0	2,706	0	0	0	15,325
Deville (fwd)	4,000	3,985	4,170	15,087	30,530	29,864
Allante	85	47	85	240	270	380
Total Cadillac	5,755	7,947	6,210	22,574	39,680	58,283
Cavalier	6,737	8,272	6,324	23,583	50,284	58,207
Camaro	1,220	1,061	1,105	3,544	7,371	15,783
Celebrity	4,810	8,250	4,884	17,981	24,518	85,082
Corsica/Beretta	4,925	5,300	8,540	29,205	53,651	42,754
Monte Carlo	0	1,245	0	0	0	10,332
Caprice	3,425	5,702	4,320	16,700	33,898	35,212
Corvette	440	630	450	1,792	3,402	5,171
Total Chevrolet	21,457	30,550	25,804	92,806	173,100	233,551
Calais	2,085	2,834	2,100	8,213	18,509	20,786
Firenza	0	284	820	999	2,327	4,288
Cutlass Ciera	0	4,926	0	0	0	35,174
Cutlass Supreme*	1,847	1,619	1,847	7,288	14,418	5,813
Toronado	494	317	597	1,933	2,260	3,477
88 (fwd)	120	5,505	3,225	9,782	23,282	37,474
88 (rwd)	190	427	273	998	2,212	3,345
Olds 98	1,822	2,158	1,841	7,226	13,833	14,716
Total Oldsmobile	6,558	18,088	10,408	36,469	74,285	125,053
Sunbird	2,527	2,770	2,085	8,411	17,923	19,156
Grand Am	4,800	4,958	4,851	19,248	36,481	43,474
Firebird	840	1,038	891	2,510	6,515	13,360
Grand Prix*	1,823	0	1,823	7,292	16,402	0
Pontiac 6000	2,215	1,843	1,914	4,103	4,189	13,370
Bonneville	0	3,198	1,980	5,955	13,859	25,402
Safari/Parisienne	135	181	119	604	952	1,977
Fiero	805	1,034	558	1,833	1,833	5,484
Total Pontiac	12,945	14,822	13,330	50,957	90,854	122,203
GENERAL MOTORS	52,634	85,107	62,116	227,444	427,024	648,100
HONDA	7,980	8,707	6,315	28,888	56,259	56,087
Civic	1,780	1,998	1,300	6,454	13,128	23,298
Accord	6,200	4,709	4,916	22,214	43,133	32,770
MAZDA	1,273	0	1,571	5,189	8,221	0
NISSAN	1,340	2,945	1,941	5,386	10,709	23,287
NUMMI	3,280	4,000	3,282	12,077	24,865	32,820
Corolla	1,200	800	1,284	3,867	8,577	6,827
Nova	2,050	3,200	2,018	8,210	16,288	25,993
VOLKSWAGEN	2,000	2,001	0	3,878	7,782	11,944
Golf/GTI	1,200	1,751	0	2,278	5,182	10,444
Jetta	800	250	0	1,600	2,000	1,500
Total Cars, U.S.	125,754	173,965	134,206	520,563	996,443	1,530,326
Total Cars, Canada	20,800	17,012	22,786	86,124	175,368	157,804
U.S., Canada Cars	146,554	190,977	157,092	606,677	1,171,809	1,467,930
U.S., Canada Cars and Trucks	251,893	298,192	283,823	1,021,186	1,969,368	2,236,754

Monthly estimates may contain error of one or two units due to rounding.
*—Estimate.

CANADIAN CAR						
Eagle	0	—	0	0	0	—
Premier	1,880	—	1,841	6,585	12,881	—
CHRYSLER MOTORS	1,880	188	1,841	6,585	12,881	1,218
Escort	0	—	0	0	0	—
Lynx	0	—	0	0	0	—
Tempo	4,837	—	4,873	15,738	32,851	—
Topaz	1,723	—	1,387	5,827	12,187	—
Crown Victoria	2,881	—	2,774	11,288	22,527	—
Grand Marquis	2,888	—	2,838	11,387	21,884	—
FORD MOTOR CO.	11,538	11,044	11,884	44,231	88,189	88,431
Celebrity	0	—	382	983	3,089	—
Cutlass Ciera	1,880	—	4,823	18,315	38,871	—
Cutlass Supreme	0	—	0	0	0	—
Grand Prix	0	—	0	0	0	—
Pontiac 6000	870	—	791	3,382	8,188	—
Regal	4,000	—	2,388	13,872	25,882	—
GENERAL MOTORS	5,880	5,488	8,434	34,382	67,723	84,184
HONDA	728	177	988	2,838	4,817	963
VOLVO	188	225	97	488	888	1,488
Total Cars, Canada	20,888	17,012	22,788	88,128	175,388	187,884

U.S. TRUCK*						
Caravan	2,880	—	2,227	8,177	13,832	—
Dakota	2,880	—	1,888	4,488	17,188	—
Mini-Ram Van	388	—	388	1,317	2,514	—
Pickups	1,388	—	788	2,888	8,384	—
Total Dodge	6,488	5,881	5,078	16,872	48,848	38,841
Cherokee	3,788	—	3,843	14,588	28,138	—
Comanche	1,188	—	1,072	4,074	8,057	—
Grand Wagoneer	0	—	388	1,888	2,884	—
Pickups	0	—	0	0	0	—
Wagoneer	288	—	882	1,881	2,188	—
Total Jeep	5,888	4,588	5,887	20,788	41,488	28,888
Voyager	1,888	—	2,872	7,578	14,544	—
Total Plymouth	1,888	—	2,872	7,578	14,544	—
CHRYSLER MOTORS	13,388	8,781	12,888	44,372	88,877	74,727
Aerostar	4,438	—	5,242	18,282	37,888	—
Bronco	1,277	—	1,284	5,888	18,888	—
Bronco II	3,888	—	2,987	12,884	24,882	—
Econoline	5,882	—	5,241	20,512	40,742	—
Heavy trucks	1,322	—	1,387	5,277	10,584	—
Light trucks	10,275	—	10,218	48,888	78,277	—
Ranger	7,122	—	7,444	28,582	58,518	—
Total Ford Div.	32,516	33,287	33,701	132,564	280,912	298,910
FORD MOTOR CO.	32,516	33,287	33,701	132,564	280,912	298,910
Astro	3,786	—	3,981	14,583	28,384	—
Blazer	831	—	888	2,288	4,431	—
Medium/Heavies	325	—	332	3,088	4,882	—
P-Model	900	—	982	3,847	7,981	—
Pickups	6,215	—	5,823	24,519	47,881	—
S-10	5,727	—	5,202	21,488	41,817	—
S-10 Blazer	3,348	—	2,821	12,888	22,087	—
Sportsvan/Van	1,428	—	1,342	6,588	10,870	—
Suburban	1,444	—	1,888	5,841	11,488	—
Total Chevrolet	23,706	22,277	22,582	93,587	178,738	178,488
Jimmy	158	—	106	827	1,371	—
Medium/Heavies	825	—	982	3,888	7,273	—
P-Model	130	—	47	388	887	—
Pickups	2,245	—	2,815	8,835	17,288	—
S-15	1,510	—	1,981	6,875	12,388	—
S-15 Jimmy	880	—	1,387	4,073	5,888	—
Safari	851	—	1,028	3,727	7,338	—
Suburban	820	—	735	2,831	6,038	—
Vandura/Rally Vans	952	—	888	3,882	7,857	—
Total GMC	8,342	8,483	9,972	34,888	68,881	61,704
GENERAL MOTORS	32,048	30,760	32,584	128,225	244,819	240,192
NAVISTAR	1,800	1,821	1,731	7,121	14,394	12,332
NISSAN	3,250	1,781	3,285	13,088	25,988	13,647
AM GENERAL*	450	50	450	1,800	3,888	488
MISCELLANEOUS*	2,300	2,300	2,300	9,200	18,488	18,488
Total Trucks, U.S.	85,714	79,580	86,670	336,275	667,667	619,618

CANADIAN TRUCK						
Caravan	3,048	—	3,136	12,160	24,288	—
Mini-Ram Van	234	—	220	884	1,788	—
Ram Wagon	585	—	544	1,831	3,287	—
Ram Van	1,285	—	1,407	3,983	8,184	—
Total Dodge	5,172	5,870	5,309	18,878	37,538	70,833
Voyager	2,882	—	2,988	11,522	22,888	—
Total Plymouth	2,882	—	2,988	11,522	22,888	—
Wrangler	1,018	—	1,088	4,188	7,882	—
Total Jeep	1,018	844	1,088	4,188	7,882	5,811
CHRYSLER MOTORS	9,052	9,314	9,386	34,388	68,308	75,844
FORD MTR. (t. trks.)	3,848	3,457	3,858	14,202	28,488	25,843
Light trucks	3,350	—	3,430	13,108	25,280	—
Vans	1,375	—	1,288	5,248	10,138	—
Total Chevrolet	4,725	—	4,886	18,354	35,418	—
Light trucks	1,400	—	1,520	6,034	11,323	—
Vans	575	—	840	2,383	4,822	—
Total GMC	1,975	—	2,160	8,417	15,945	—
GENERAL MOTORS	6,700	4,664	6,846	26,771	51,361	27,130
NAVISTAR	225	200	191	852	1,753	1,588
Total Trks., Canada	19,625	17,655	20,061	76,214	149,912	131,208
U.S., Canada Trks.	105,339	97,215	106,731	412,489	817,579	750,824

e—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-contract vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

3/7/88 C 2700-1

Automotive News

March 7, 1988

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63rd year—$55.00 per year, $1.50 per copy

Geneva: Europe eyes free borders

Domestics gird for '92 import rush

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

GENEVA — It was the 1988 International Motor Show last week in Geneva, but much of the focus was on 1992.

That's when Europe is scheduled to open its internal borders to unrestricted trade, a major consequence of which will be increased competition from Far East carmakers as various national restraints are lifted.

European automakers are girding for that day, both with new cars like Volkswagen's show-stealing second-generation Passat, which debuted here last week, and new strategies.

General Motors' mission to reduce its high European cost base was a major topic during the show as GM talked up its big 1987 profit in Europe and showed glimpses of an important new product.

Geneva also showcased the Soviet Union's vision of the automotive future. What could have been a star attention-getter at the show all but escaped notice because it didn't arrive until Thursday — after most of the world media had departed.

The seven-passenger Ochta concept vehicle from the Russian automaker Lada made its world premier, albeit late, in Geneva. The sleek, aerodynamic five-door was unlike anything the Soviet Union ever has shown before, either internally or to the world.

The Japanese last week continued their process of gearing up for the high-stakes future in Europe. It was the third straight major European show at which a Japanese maker premiered an all-new car. This time, it was the Toyota Carina II that is aimed directly at the Passat segment in Europe.

Toyota unveiled the Carina II, above, competition for the Volkswagen Passat, which was the star of the Geneva auto show. Increasing competition for Europe's market from makers in Japan and other Asian nations became apparent at the international gathering. Right, Ford's Ghia studio showed an aerodynamic 4wd multipurpose vehicle called the Ghia Saguaro.

COLLIN CUNNOOD PHOTOS

The limelight at Geneva last week belonged to GM-Europe President John Smith. He basked in record European profits and previewed GM's own forthcoming Passat competitor and also spoke out on pan-European trade issues.

While GM supports the coming unification of the European market, Smith warned that a truly unrestricted market could also benefit importers from non-European countries.

"Any Japanese measures to protect their domestic market are roadblocks to a free trade policy, causing some manufacturers to feel that progress in this respect has to be made before gradually easing import controls in Europe," Smith said.

Just two days before the world auto industry gathered here, the European Community's top trade official, Willy De Clercq, said the organization wants to strike a "transitional" agreement with Japan to restrict imports to around 10 percent of the European Community, giving the European industry time to prepare for 1992.

Last year, 1,180,000 Japanese cars were sold in the European Community, about 11 percent of the total. In contrast, carmakers from the European Community sold 87,000 cars in Japan in 1987.

Besides the Japanese question, Smith said it is even more difficult to determine a clear strategy with regard to future imports into Europe from new car-producing countries such as Korea and Taiwan.

"It raises the question as to whether free market and free trade principles can simply be adhered to, while risking what has been established over generations at extremely high investments," Smith said.

While Passat drew the biggest

see GENEVA, page 53

Mazda to share Bronco II 4-door

By David Versical
and Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTERS

Ford Motor Co. plans to share production of its new four-door Bronco II in a move that would see the sport-utility sold with Mazda badges through U.S. Mazda dealers.

Sources close to both companies said the four-door Bronco II will be sold through both franchises in the 1990 model year. The vehicle, which bears Ford's UN46 code name, will be built at Ford's assembly plant in Louisville, Ky., sources said.

Aside from a common shell, though, it is not clear how similar the two entries will be. Mazda currently supplies a five-speed manual transmission for the Bronco II. Additional Mazda components are expected to appear in the new model.

The setup appears to echo an arrangement between the two automakers at Mazda's U.S. assembly plant in Flat Rock, Mich. That operation builds the Ford Probe along with the Mazda MX-6. Though the Probe and MX-6 share the same platform and powertrain, they sport different interiors and sheet metal.

The addition of the Bronco II under a Mazda name will please Mazda dealers, who don't have a sport-utility in their lineup. Some Ford dealers, on the other hand, have said they are puzzled.

"They can barely build enough Bronco IIs to meet the demand from the Ford dealers," said one.

A Ford truck official, while de-

see BRONCO II, page 49

Peak turnout for SAE

Stempel calls for a decade of innovation

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Record attendance, heavy participation from abroad and a parade of emerging technology highlighted the 1988 SAE Show in Cobo Hall here.

In his keynote address at the SAE banquet Thursday, General Motors President Robert C. Stempel said the auto industry will be a great place in the next decade for imaginative and innovative engineers.

He listed a host of new features, new materials and new manufacturing techniques that are ready to be adapted to tomorrow's vehicles — new technologies like active suspension, anti-lock brakes and electronics that turn the focus back on product.

The challenges, he said, will include development of alternative fuels and powerplants and continuing improvements in safety.

The news of Pontiac Fiero's demise met with some dismay among the estimated 37,500 at the show, of course. Several said Fiero had scored a lasting victory for plastic.

see SAE, page 51

AUTOMOTIVE NEWS/JOE WILSDORF

Allied-Signal Automotive offers a taste of art by French sculptor Thierry Vide

Acustar snafu highlights labor woe at Chrysler

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chrysler Corp.'s decision to abort any sale of its Acustar component-making subsidiary in the face of UAW pressure is the latest in a series of costly company run-ins with its unions.

Chrysler, which until recently has enjoyed a chiefly favorable public image, has been beset in recent months with labor difficulties that have cost the company millions of dollars and eroded its reputation.

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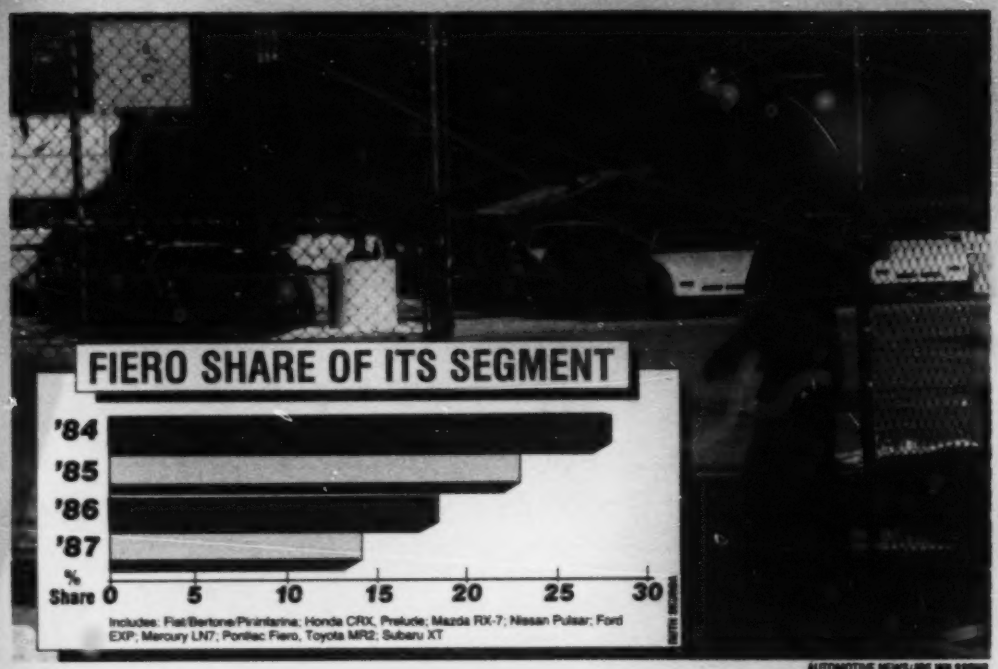
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AUTOMOTIVE NEWS/JBC WILSON

Saturn may replace Fiero for GM

Long sales slump, changing tastes kill Pontiac's 2-seater

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

PONTIAC, Mich. — General Motors will fill the void left by the Pontiac Fiero with existing Pontiac models and, eventually, Saturn cars.

The automaker said last week that it will end production of its sporty, mid-engine Fiero by the end of this model year and idle the plant here that has assembled the cars for nearly five years.

GM executives cited sagging sales due to increased competition in the shrinking two-seater segment and consumer preference for larger, roomier cars as factors in their decision.

Pontiac General Manager J. Michael Losh said the division has no plans for a direct replacement for the two-seat Fiero. Rather, he said, Sunbird, LeMans, Grand Am and Firebird are expected to fill the gap. Asked if GM will re-enter the low-priced, two-seater market, GM President Robert C. Stempel said: "If you look at the role of the Saturn franchise and the stated mission of Saturn, it clearly is a car that's going to be in the value end of the market, and we've indicated there's going to be more than one model in that car line."

Initially, Saturn will be offered as a sporty coupe and a sedan.

The Fiero was an instant sales success when introduced in September 1983. In its first full model year on the market, Fiero sales totaled 93,485 units, well above the goal of 80,000 to 85,000. Then the slide began. Sales in the 1987 model year dropped to 41,830 units and were expected to continue their downward spiral to 30,000 in the 1988 model year.

Production at the plant was cut repeatedly, and in February, it dropped to 15 cars an hour on one shift. The plant today employs 1,109, with 1,241 on indefinite layoff. Peak employment totaled 2,500 workers on two shifts in 1986.

Stempel said GM considered killing the Fiero a year ago but it was given a reprieve. Losh said the decision, which he described as a difficult one, was based upon "economic and market realities" in the two-seater segment.

Losh, as well as Pontiac dealers, said people who previously would have been candidates to purchase the Fiero seemed to be opting for larger cars, like Pontiac's Grand Am. In addition, Losh and dealers cited skyrocketing insurance rates as a contributing factor.

They acknowledged also that the mechanical shortcomings of Fiero's early years, including the underpowered four-cylinder engine and lack of power steering, were factors in its demise. The recent recall of 1984 Fieros for engine fires didn't help either, dealers said, but by then sales were already on the skids.

Nevertheless, Losh said — and dealers agreed — the Fiero more than fulfilled its mission for the division.

"The Fiero played a major role, far in excess of the impact of its limited sales, in the redirection and resurgence of Pontiac." Losh said. "There is no doubt we'll miss Fiero. But today we're a far stronger, more resilient, more competitive car company than we were in September 1983."

When the car was born, the division's sales were dismal; the division was floundering, looking for an image. Fiero became the embodiment of Pontiac's newly established youth-oriented, "excitement" image, which continues today.

Paul Holloway, owner of a dealership in Exeter, N.H., recalled his showroom being packed with traffic the night before the Fiero's official introduction.

"It was exciting," Holloway said. "There hasn't been a model introduction that exciting the last 10 years."

The car itself and the manufacturing methods employed in its construction were considered revolu-

see FIERO, page 49

Suzuki stands tough on rollover charges

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Suzuki's aggressive stance in disputing allegations that its vehicles are prone to rollovers fits the company's image as an automotive upstart.

Rather than taking a low profile when bad news breaks, Suzuki of America Automotive Corp. speaks out strongly when its interests are at stake, such as last week in response to a NBC News report dealing with rollover accidents involving its Samurai.

Last month, the importer disputed a letter from Rep. John Dingell, D-Mich., that accused the company of evading quotas by importing its vehicles as trucks.

"We've taken a very aggressive stance on the Samurai from the beginning," N. Douglas Mazza, vice president and general manager of Suzuki's U.S. company, told Automotive News.

"We created a dealer network for the one vehicle and we're a lot more aggressive from a marketing standpoint than perhaps another management team would be."

The Brea, Calif.-based importer of the popular sport-utility vehicle last week went on the offensive following a three-part NBC News report involving rollovers and a petition from the Center for Auto Safety calling for a NHTSA investigation and recall.

An NHTSA spokesman said it is considering the petition but has no investigation under way nor any rollover complaints on record.

The Center for Auto Safety said it had reports of 15 accidents: 11 rollover accidents involving the current Suzuki Samurai, designated model SJ413, and four accidents involving a similar Suzuki model, designated as SJ410.

According to the center, eight injuries and three deaths are tied to the SJ413 model, and three injuries and one death to the SJ410.

NBC, using NHTSA data, reported 25 fatalities for both models.

Mazza said the company only imports the SJ413, and that the SJ410 is an older model, sold in other countries and Hawaii.

"The SJ413 is not the same vehicle (as the SJ410)," Mazza said, noting engineering changes made for the U.S. version.

Suzuki said that SJ410 models were most likely brought to the United States from Puerto Rico and Hawaii by independent importers. When Suzuki launched the Samurai in 1986 it also initiated legal action to bar dealers from selling the SJ410 under the company's name.

The NBC report repeated the center's charges and alleged that the vehicle is likely to tip over either in normal turns or accident-avoidance maneuvers.

Unlike Audi, which allowed reports of sudden acceleration to blossom into a major crisis, Suzuki immediately went on the offensive, sending out a press release disputing the NBC report before it aired.

The company also aired a new commercial last week citing several auto enthusiast publications' praise of Samurai's stability and handling characteristics.

"We are prepared to stay with this advertising for about two to three weeks," Mazza said, adding that "we are measuring the response to the ad on a weekly basis."

Suzuki has sold 140,000 Samurais since their debut two years ago.

In its press release, Suzuki asserted that the center's petition and the subsequent NBC report "may have been instigated in part by trial lawyers seeking to foster public opinion against Suzuki and perhaps the entire sport-utility market."

The company further charged that it has been singled out because "the Samurai is the leading imported sport-utility vehicle from Japan and has gained tremendous media attention due to its unique styling, reliability and affordable price."

Citing the U.S. Customs Service reclassification proceedings in light of the company's current woes, Mazza believes the company is being singled out on several fronts. He said it is "not coincidental that these things are happening to us."

Suzuki took issue with the NBC report, which used footage of a professional driver tipping the vehicle, saying the driver's maneuvers are "no way indicative of normal driver reactions."

The company disputes NBC's use of fatal accident reporting system data (FARS) from NHTSA that showed 25 fatalities in Samurai-related accidents to conclude that the vehicle is unsafe.

"We stand by our story completely," said Steve Handelsman, national correspondent for the NBC Television Stations' News Unit, which prepared the report.

"New evidence since the broadcast has served only to bolster our contention that the Samurai has a rollover problem."

According to Mazza, more than half of the incidents involved drunk drivers, 60 percent weren't wearing seat belts, and the incidents include one pedestrian struck by a Samurai, four persons who were killed in other vehicles involved in accidents with the Suzuki and four persons in a Samurai that was struck by a train.

In a letter to NBC-owned-and-operated stations airing the report, Mazza demanded equal time to present Suzuki's case.

Samuel Cole, a member of the Center for Auto Safety's vehicle safety staff, said "We're not disputing the fact that alcohol was involved in these accidents. We're disputing how the vehicle performs in an accident."

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63rd year—No. 5223

AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semiweekly the fourth week in May at 1400 Woodbridge, Detroit, MI 48207. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 965 E. Jefferson, Detroit, MI 48207.

Chrysler still may have too many plants

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chrysler Corp. Chairman Lee Iacocca apparently believes the company still has excess production capacity following the announced closing of its Kenosha, Wis., assembly and stamping plants.

Speaking at a February press conference held in connection with the Kenosha closing, Iacocca said the company acquired four assembly plants with its purchase of American Motors in August but has business for only two of those plants.

"We have too much capacity," Iacocca said. "The whole country does. We didn't until the time we bought AMC. We bought four plants but we really only have business for two."

Iacocca's comments appear to represent a change in the chairman's evaluation of Chrysler's production capacity.

In October, he said the company "could do without a plant or a plant-and-a-half" because of its acquisition of AMC.

Since that time, the company has announced it will close its Kenosha assembly plant at the end of the 1988 model year.

Asked if Iacocca's remarks mean that Chrysler is studying an additional plant closing, a company spokesman said, "Obviously, everyone in this industry is studying their plant capacity. Everybody is studying it. You have to. The market is changing and there is excess capacity."

The company spokesman said, however, that Chrysler Motors Chairman Gerald Greenwald has maintained that there will be no additional plant closings in 1988 at Chrysler.

When it purchased AMC, Chrysler acquired the Kenosha assembly plant, a Jeep assembly plant in Toledo, Ohio, and two Canadian assembly plants, one each in Brampton and Bramalea, Ontario.

Analysts have suggested that the Brampton plant may be vulnerable.

Chrysler has since signed a five-year labor agreement with the UAW at the Toledo plant that assures production through September 1992.

The Bramalea plant produces the Eagle Premier sedan and the state-of-the-art facility was among the reasons cited by Chrysler for the AMC acquisition.

Wetherby's Safari conversion features comforts of home in a luxury package

Ex-Tra Tech exec starts conversion firm in Texas

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

The RV industry is full of former employees of companies who branched out on their own.

In January, Phil Wetherby, a former Tra Tech official, followed industry tradition by launching Wetherby Conversions in Mansfield, Texas.

Wetherby's goal is to service customers within a 500-mile radius of Dallas/Fort Worth with a full line of conversion products, ranging from cars, vans and sport utilities to imported and domestic pickups up to one-ton duallies.

Wetherby, former vice president of Tra Tech Manufacturing and president of Tra Tech West, said he currently has about 100 franchised dealers.

He expects to have between 100 and 200 dealers by the end of the model year with the eventual goal of each dealer selling two to three vehicles a month.

That would put his company in the 4,000- to 5,000-unit-a-year sales volume range.

Wetherby doesn't have a consignment pool agreement with any Detroit manufacturer.

Typically, such agreements reduce a converter's operating costs because he doesn't have to invest his money in floorplanning or interest finance costs.

Essentially, pool vehicles are owned by GM, Ford or Chrysler until they physically leave the converter's lot and are sold to the dealer. Thereupon, the Detroit manufacturer collects from the dealer for the van chassis and the converter collects for his conversion package.

Wetherby is using a drop-shipment program, common in the industry, for vehicles he works on. Essentially, with drop shipments dealers pick up the costs of floorplanning the unit.

Basically, his strategy is to "allow the dealer to order the chassis he needs. If he wants a lower-priced or higher-priced unit or one with a diesel engine," he can specify his exact needs, Wetherby said.

Basically, the wholesale delivered price range of his conversion packages range from $3,900 to $6,500, Wetherby said.

Quality, backed by a strong warranty, geared as closely to that of the truck manufacturers, is another focal point.

Wetherby's warranty on the basic conversion is 12 months/12,000 miles. That includes mechanical parts on such items as seats, sofa beds, etc.

For add-ons like fiberglass running boards, trim on trucks and ground effects on cars the basic warranty is 36 months/36,000 miles.

He said his company is using the best equipment and materials available from brand-name suppliers.

Consumer demands for family transportation have grown and changed since the early 1970s, he said.

Dependable transportation is still a priority. However, as Americans find themselves to a greater extent on the road — commuting longer distances to work and play in increasingly heavy traffic, enjoying extended family vacations and retirement leisure travel — they want their cars and trucks to be as comfortable and convenient as possible.

With a wide selection of luxury appointments and sophisticated electronic and stereo equipment available, consumers today want to customize their vehicles to their lifestyles.

Factory tips for van converters

Chevy stresses price-value link; Chrysler mails quality guides

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chevrolet would like to see more van converters communicate the price/value relationship of their products to consumers, and Chrysler recently stepped up communication with van converters to improve product quality.

Chrysler sent out a specially prepared van conversion guide to 1,300 converters in February, outlining recommended policies and procedures for handling its van products. It is Chrysler's first such mailing to RV firms since the days when it supplied motor home chassis to the industry.

Its guidebook discusses transportation claims, warranty repair, new-vehicle prep, safety mechanisms and other relevant converter issues.

James E. Lynch, Chrysler manager of special vehicles, said that in addition to an effort to upgrade quality and improve customer satisfaction, the mailings were part of what will be a continuing effort at better communication with non-consignment pool companies.

"We're trying to bring them into our wave length so they know our thoughts on what they can and cannot do to our vehicles," he said. "Many of our Dodge dealers are buying conversion-package chassis for non-consignment pool companies, so there is no real direct link for communicating quality and safety issues."

Lynch plans to continue corresponding with non-consignment pool converters.

A major section of Chrysler's booklet deals with electrical issues. This is one of the most prevalent problem areas in the industry because of the increasing number of electrically operated components that are being installed in vans, such as televisions, VCRs and elaborate stereo systems, Lynch said.

Meanwhile, Chevrolet's Jim Greene, assistant manager — special vehicles, would like to see more converters use a manufacturer's suggested retail price-type price/equipment sticker, which could be used to describe the quality of their carpets, seats, interiors and other features.

For example, consumers are generally not astute enough to differentiate the quality of the cloth or carpeting used by various manufacturers to determine how long they will last, he said.

"Converters can because they buy it. But certainly the average customer can't," Greene said.

Dealers are the big impediment to price-labeling conversion packages. Traditionally, they've been prone to high-gross those products.

"The challenge of the industry, as I see it, is to overcome (dealer resistance to MSRP stickers) and provide consumers with clearer price/value relationships," Greene said.

There also is a real feeling in America that smaller should be cheaper or less expensive, he said. It has led many converters to limit their price and equipment packages for Astro.

"I've been trying to say to the industry that the Astro needs to grow out of the philosophy that smaller should be less expensive, that the Astro just happens to be of a size that is more appealing to a certain segment — the yuppie, female-influenced buyer. They still want the quality seats, the whistles and toys, the TVs and all those things that they're accustomed to if they ever owned a G-van," Greene said.

People buy Astros for features like garageability and handling ease rather than low price, he said.

Greene said that Chevrolet's LT package for a factory-upfitted Astro puts it into the $18,000-plus range, which is more expensive than conversion units done by most outside converters.

"The upfitter was afraid that when we introduced our conversion package for Astro, we would take some of his business," he said. "We haven't because we still can't build enough of that product to supply demand.

"So if a dealer has an $18,000 Astro with our seats sitting on his lot, he can easily move a customer from that to an Astro" upfitted by an outside converter, Greene said.

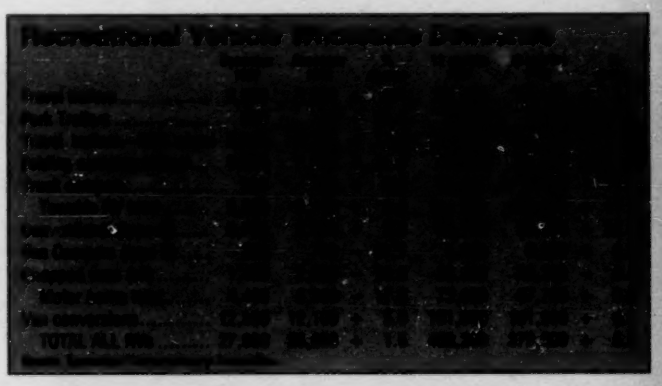
RV-maker sales reach 400,200 in '87, up 5.5%

RESTON, Va. — RV manufacturers closed out calendar 1987 with their strongest performance in the past several years.

Manufacturers wholesaled 400,200 units last year, 5.45 percent more than in 1986 and 11.41 percent more than in 1985, according to the Recreation Vehicle Industry Association.

In December, the Index of Consumer Sentiment also rose as consumers appeared to have shaken off the fears that followed October's stock market crash, RVIA said.

While concerns persisted about the outlook for the domestic economy, the December survey confirmed that buying attitudes had improved in response to increased discounting and lower interest rates, RVIA said.



Buying attitudes for RVs remained near the all-time high set in March 1987.

A strong second half enabled van converters to ship 181,900 units in 1987, identical to 1986's performance.

December shipments of 12,800 vans were up 5.78 percent from a year earlier and were 8.10 percent ahead of November.

Detroit manufacturers shipped 212,500 vans without seats to converters in 1987, 20.53 percent more than the 176,300 shipped in 1986.

Included in the 1987 total were 170,400 full-sized seat-delete option vans, 18.67 percent more than the 143,600 shipped in 1986, and 42,100 compact vans, 28.75 percent more than the 32,700 shipped in 1986.

Starcraft's prospectus reveals purchase price, income

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Starcraft investors purchased the company from Lear Siegler last July for $75.8 million. The figure is included in a prospectus the company issued to sell $50 million in long-term notes.

This is the first time Starcraft's financial results have been revealed.

Company officials were successful in selling the notes to complete the final part of their financing effort. The notes are due in 1998.

The investors financed the purchase of the company by borrowing $73 million from Citicorp Industrial Credit Inc. and contributing another $8 million of their own.

The group, organized by Duncan Cook, includes members of Starcraft management, Duncan Cook and certain of its affiliates, Salomon Brothers Holding Co. Inc., Southwest Venture Partners and others.

For its fiscal year ended June 28, 1987, Starcraft had net income of $98 million and long-term debt of $72.7 million, including the $50 million in notes that were subsequently sold.

During the first six months of fiscal 1988, ended Dec. 31, 1987, the company had net sales of $66.7 million, up 16.1 percent over the year-earlier period, said Dominic Cuzzocrea, Starcraft president and chief executive officer.

The company's prospectus said Starcraft had net income of $10.6 million for the seven-month period ended Jan. 31, 1987.

The company had net income of $20.3 million for the 12-month period ended June 30, 1986, compared with $22.6 million for the same period a year earlier.

During the seven-month period ended Jan. 26, 1987, Starcraft had net customer sales of $65.5 million. The company's automotive products division accounted for $29.5 million of that figure; marine products division, $18.1 million; and recreational products division, $17.9 million.

During the same period, Starcraft had an operating income of $3.4 million — the automotive and marine products divisions showed a profit and the recreational products division suffered a loss.

The automotive division provided operating income of $3.9 million while the marine division had an operating income of $42,000. Recreational products lost $556,000.

All of the company's divisions were profitable for the 12-month period ended June 29, 1986. Net customer sales were $111.7 million and operating income was $10.3 million.

Starcraft had net sales of $115.8 million and operating income of $12.7 million for the 12-month period ended June 30, 1985.

For the 1988 fiscal year, company officials said the automotive division received a ship-through agreement from General Motors covering a new fiberglass cap and other conversion packages for the full-sized pickup truck. The agreement means there will be no duplicate freight charges for GM dealers.

Starcraft plans to introduce several new fifth-wheel travel-trailer models and some new automotive products in 1989.